



To: Multistate Tax Commission  
From: Joe Huddleston, Executive Director  
Date: July 27, 2012  
Subject: 2012 Executive Committee Annual Report

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The Executive Committee met four times during the period July 1, 2011, to June 30, 2012:

- July 28<sup>th</sup> in Whitefish, Montana
- December 9<sup>th</sup> in Charleston, South Carolina
- March 1<sup>st</sup> via teleconference
- May 10<sup>th</sup> in Washington, D.C.

The meetings were regular meetings through which the committee provided oversight and direction to the activities of the Commission.

The following members of the Commission were elected to serve as Commission officers and members of the Executive Committee for fiscal year 2012:

- Chairman: Cory Fong (North Dakota)
- Vice Chairman: Alana M. Barragán-Scott (Missouri)
- Treasurer: Julie P. Magee (Alabama)
- At-large: Kristine Cazadd (California State Board of Equalization), Susan Combs (Texas), Andy Dillon (Michigan), and Bob Geddes (Idaho).

In February, Bob Geddes resigned from the Idaho State Tax Commission. The Chair informed the members of the committee at its May meeting that with only two months left in the fiscal year and no further planned Executive Committee meetings, the vacancy would be filled with the election of new officers and committee members at the Commission's Annual Meeting on August 1, 2012.

The Executive Committee took the following actions during fiscal year 2012:

- Approved the transfer of residual fund balances in the Nexus Activities, Membership Development and Relations, Federalism at Risk, and State Tax Compliance funds into the Enterprise Automation Fund.
- Referred a Model Statute Regarding Partnership or Pass-Through Entity Income That Is Ultimately Realized by an Entity that is Not Subject to Income Tax back

to the Uniformity Committee with the direction that the committee should identify alternate approaches that could solve the problem identified by the Commonwealth of Massachusetts, and consider suggestions from the states and other interested parties.

- Held a strategic planning session at which an environmental scan was conducted so that the committee could provide input on the Commission's strengths, weaknesses, opportunities and threats.
- Approved August 1<sup>st</sup> as the date for the Commission's annual meeting in 2012.
- Approved the audited financial statements as reported in an independent auditor report for fiscal year July 1, 2010 – June 30, 2011.
- Referred a Model Sales & Use Tax Notice and Reporting proposal back to the Uniformity Committee for further consideration.
- Referred a proposal for Recommended Amendments to Compact Article IV Section 17 and 1(g) back to the Uniformity Committee for further consideration.
- Directed a public hearing be held pursuant to Art. VII of the Multistate Tax Compact regarding a proposed Model Statute on the Tax Collection Responsibilities of Accommodations Intermediaries, as amended by the committee.
- Directed a public hearing be held pursuant to Art. VII of the Multistate Tax Compact regarding proposed Model Statutes for Telecommunications Transaction Tax Centralized Administration.
- Approved the proposed 2012-2013 budget for the Commission.
- Recommended the Commission consider proposed Model Statutes for Telecommunications Transaction Tax Centralized Administration, as amended by the committee, resulting in a bylaw 7 survey of affected members to determine if they would consider the proposal.
- Recommended the Commission consider a proposed Model Statute on the Tax Collection Responsibilities of Accommodations Intermediaries, resulting in a bylaw 7 survey of affected members to determine if they would consider the proposal.
- Took no action but retained a Model Sales & Use Tax Notice and Reporting proposal pending the final resolution of litigation in Colorado.

- Took no action but retained five recommended amendments to Compact Article IV to allow more time for states, as well as stakeholders, to examine these revisions to Article IV.

The Executive Committee undertook additional actions during fiscal year 2012 that are recorded in the minutes of its meetings.